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August 6, 2010

## Via E-Filing

Ms. LaDonna Castañuela Chief Clerk, MC-105 Texas Commission on Environmental Quality P.O. Box 13087 Austin, Texas 78711-3087

Re:

Application of White Stallion Energy Center, LLC for

Air Quality Permit Nos. 86088, PSD-TX-1160, PAL 26 and HAP 28

SOAH DOCKET NO. 582-09-3008 TCEQ DOCKET NO. 2009-0283-AIR

Dear Ms. Castañuela:

Enclosed please find Environmental Defense Fund, Inc.'s Reply to Exceptions to the Proposal for Decision.

If you have any questions concerning this filing, please do not hesitate to contact me at the number above.

Sincerely,

Paul R. Tough

PT/jam 5043-11 Enclosure

cc:

Honorable Judge Paul D. Keeper (via hand delivery)

Honorable Judge Kerrie Jo Qualtrough (via hand delivery)

SOAH Docket Clerk (via hand delivery)

Service List (via e-mail)

## SOAH DOCKET NO. 582-09-3008 TCEQ DOCKET NO. 2009-0283-AIR

APPLICATION OF WHITE STALLION ENERGY CENTER, L.L.C. FOR STATE AIR QUALITY PERMIT NOS. 86088; HAP28, PAL26, AND PSD-TX-1160	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS		
ENVIRONMENTAL DEFENSE FUND, INC.'S REPLY TO EXCEPTIONS TO THE PROPOSAL FOR DECISION				

## SOAH DOCKET NO. 582-09-3008 TCEO DOCKET NO. 2009-0283-AIR

APPLICATION OF WHITE STALLION	§	BEFORE THE STATE OFFICE
ENERGY CENTER, L.L.C.	§	
FOR STATE AIR QUALITY PERMIT	§	$\mathbf{OF}$
NOS. 86088; HAP28, PAL26,	§	
AND PSD-TX-1160	8	ADMINISTRATIVE HEARINGS

# ENVIRONMENTAL DEFENSE FUND, INC.'S REPLY TO EXCEPTIONS TO THE PROPOSAL FOR DECISION

## TO THE HONORABLE COMMISSIONERS:

COMES NOW Protestant Environmental Defense Fund, Inc. ("EDF") and files this Reply to Exceptions to the Proposal for Decision ("PFD") submitted by the Administrative Law Judges ("ALJs") in the referenced dockets.

## I. INTRODUCTION

As summarized in the ALJs' PFD, White Stallion Energy Center, LLC ("White Stallion" or "Applicant") failed to meet its burden of proof on numerous issues by relying on data that did not meet quality assurance criteria, failing to include coal dust in the State Effects Review, and failing to meet the requirements for Best Available Control Technology ("BACT") and Maximum Achievable Control Technology ("MACT"). Neither the Applicant's exceptions nor the ED's exceptions change the underlying facts that led the ALJs to their recommendations. Further, as argued in EDF's Closing Brief, Reply to Closing Arguments ("Reply Brief"), and Exceptions to the Proposal for Decision ("Exceptions") there are a number of additional reasons for why White Stallion's Application<sup>1</sup> is deficient. Therefore, EDF respectfully requests that the

<sup>&</sup>lt;sup>1</sup>For ease of reference, this Reply collectively refers to Applicant's PSD permit application (PSD-TX-1160), its hazardous air pollutant application (HAP-28), its plant-wide applicability limit (PAL 26) and state air quality permit (86088) as the "Application," specifying individual permit applications only when necessary, and the proposed facility as "WSEC."

Commission either deny or remand the Application to the ED for further review consistent with the issues identified by the ALJs' PFD and Protestants' briefs.

# II. WHITE STALLION'S USE OF OZONE MONITORING NOT APPROVED FOR REGULATORY PURPOSES IS AN ERROR, AND CONSTITUTES SIMPLY ONE ERROR OF MANY IN ITS OZONE ANALYSIS

The ALJs are correct that it is improper for the Applicant to utilize data that has been specifically designated as not approved for regulatory purposes. However, a few additional points are merited in response to the exceptions filed by the Applicant and the ED.

The Applicant essentially contends that (1) the notation should be disregarded because TCEQ's data does not need to meet EPA standards, and (2) whether the data from the notated monitor was used or not is of no import because other monitors could be used instead. First, EDF again refers the ALJs and the Commissioners to its previous extensive arguments regarding TCEQ's requirement that an applicant utilize EPA guidance, in particular the mandates of Appendix W, in conducting ozone modeling. Since adherence to EPA guidance in this context is required by TCEQ's own rules, it follows that the data implemented to undertake such modeling would need to meet EPA criteria. Moreover, it should be noted that EPA did not place the notation on the TCEQ's data; the TCEQ did. It cannot reasonably be assumed that TCEQ specifically noted that the data from certain monitoring stations should not be utilized, but then have that notation ultimately constitute surplusage.

The ED also attempts to discount the notation. The heart of the ED's argument relies on the fact that "regulatory purpose" is not defined, and therefore need not be followed.<sup>2</sup> It defies logic that the ED would object to the ALJs adherence to the TCEQ's own language, and then to base that objection on the assertion that the agency does not know what "regulatory purpose" means, despite the fact that the notation was placed on that data sheet (on TCEQ's website) by

<sup>&</sup>lt;sup>2</sup>ED's Exceptions pp. 4-5.

the TCEQ. Again, the EPA did not place the notation on the TCEQ's data; the TCEQ did. More strikingly, the ED then relies on what *the Applicant's* modeler, Mr. Kupper, opines is the meaning of "regulatory purpose." As discussed below, the testimony and evidence presented at the hearing leaves no doubt that Mr. Kupper is wholly unqualified to make any determinations regarding ozone period.

It is undisputed that Mr. Kupper is not an ozone modeling expert, and in fact specifically testified as such. At the hearing Mr. Kupper testified, "I'm not an expert in ozone modeling." However, the Applicant offered Mr. Joe Kupper as its sole witness on ozone impacts at the hearing. The entire ozone analysis performed by Applicant's unqualified witness, Mr. Kupper, was to follow TCEQ's so-called Draft Ozone Procedures. As detailed in EDF's *Closing Brief*, the Draft Ozone Procedures rely on the outdated, EPA-rejected and legally irrelevant EKMA as the technical basis for determining whether emissions from a proposed source are "ozone neutral." However, Mr. Kupper also testified that he was wholly unfamiliar with the terms "EKMA" and "ozone neutral" – the analysis that allegedly forms the basis of his opinion. Similarly, the ED's Matthew Kovar admitted having little if any understanding of EKMA.

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A: No.

<sup>&</sup>lt;sup>3</sup> *Id.* 

<sup>&</sup>lt;sup>4</sup> TR. II p. 296.

<sup>&</sup>lt;sup>5</sup> WSEC Ex. 103, p. 118.

<sup>&</sup>lt;sup>6</sup> EDF's Closing Brief, pp. 10-12.

<sup>&</sup>lt;sup>7</sup> TR. II at p. 296. At hearing, Mr. Kupper testified as follows:

Q (BY MR. WEBER): And when you say that based on that analysis [the Draft Ozone Procedures] that the site is ozone neutral, in what area are you talking about? Where is it ozone neutral? It's locally just around the plant. Correct?

A (BY MR. KUPPER): I'm not an expert in ozone modeling, or what that term necessarily means, but – so I can't really answer that question.

Q: So you don't know over what area this plant would be ozone neutral. Correct?

EDF Ex. 130 (Excerpts from the Deposition of Joe Kupper, P.E.) p.26.

<sup>&</sup>lt;sup>8</sup> TR. V. at pp. 1145-1147. At hearing, Mr. Kovar testified as follows:

Even more alarming is that Mr. Kupper testified in his deposition that he did not know whether TCEQ's so-called Draft Ozone Procedures provided any insight into regional ozone impacts and that he had <u>no opinion</u> whether emissions from the proposed source would <u>cause or contribute to an ozone NAAQS violation</u><sup>9</sup>—a demonstration <u>required</u> to be made in the Application. To complete this Abbott and Costello sketch, the TCEQ modeler Matthew Kovar, who audited the modeling and reviewed the impacts analysis submitted by Applicant in this case, testified that he conducted no independent analysis of his own and rather relied solely on the

Q Are you required to be familiar with TCEQ's air permitting rules?

A Yes.

Q Okay. Is EKMA one of the modeling tools approved by EPA in its guideline on air quality models, if you know?

A I don't know off the top of my head.

A (BY MR. KUPPER): Yes.

Q: Does this analysis in any way address regional impacts?

A: I don't know.

Q: Is it possible that emissions from the proposed source can cause or -- could cause or contribute to an exceedance of a NAAQS standard?

A: I wouldn't know without relying on somebody else to do some photochemical modeling that would show what the ozone impacts would be, but since I've never done that or tried to analyze what a source would do to ozone impacts, I couldn't say it's possible or not possible.

Q: You have no opinion?

A: No.

Q (BY MR. WEBER): Are you -- are you familiar with the term "EKMA"?

A (BY MR. KOVAR): I have a general understanding.

Q Tell us what "EKMA" stands for.

A Empirical Kinetics Modeling Approach.

Q Okay. And what is EKMA?

A It's a tool being used by EPA to evaluate ozone control strategies based on reducing the amount of NOX or VOC.

Q Is it your understanding that EPA uses EKMA for purposes of analyzing ozone from single sources?

A Would you repeat the question?

Q Is it your understanding that EPA utilizes EKMA for analyzing ozone impacts from single sources?

A I do not know.

<sup>&</sup>lt;sup>9</sup> EDF Ex. 130, p. 33. The deposition testimony of Joseph Kupper is as follows:

Q (BY MR. WEBER): Is the procedure that you stepped through here that's outlined in Deposition Exhibit No.

<sup>4,</sup> is that the sum total of the ozone impacts analysis that you performed in support of the application?

analysis submitted by Applicant.<sup>10</sup> By all accounts, the record lacks any analysis on ozone impacts and must be denied because Applicant failed to demonstrate that the proposed source will not cause or contribute to an ozone NAAQS violation as required under 40 CFR § 52.21(k) and TCEQ rules. Applicant simply failed to meet its burden of proof as to ozone impacts. The evidence presented by Khahn Tran was not sufficient to make the demonstration required by 40 CFR § 52.21(k) and the Applicant cannot rely on it to meet its burden of proof.

Summarily, the Executive Director of the TCEQ argues that the notation disallowing the use of the San Patricio County monitoring data for regulatory purposes, written by the TCEQ and placed on data present on its own website, is undefined and creates uncertainty for the ED, but attempts to rectify this issue by relying on the Applicant's unqualified modeler to determine what the term means. Needless to say, this argument should not be accepted. Besides, the ALJs did not accept Mr. Kupper's interpretation of the meaning of "regulatory purpose," and neither the Applicant nor the ED offered any additional evidence regarding the limitation on the use of the data.<sup>11</sup>

Yet, the foregoing is simply the tip of the iceberg in terms of the deficiencies in the Applicant's ozone analysis. The evidence adduced at the hearing, and asserted and recounted in EDF's *Closing*, *Reply Brief*, and *Exceptions*, depicts a wholly deficient ozone analysis. Specifically, the ozone impacts analysis is deficient because it:

<sup>&</sup>lt;sup>10</sup> The testimony of TCEQ modeler and hearing witness Matthew Kovar is as follows:

Q (BY MR. WEBER): Is it your testimony that the entire ozone analysis performed by TCEQ was a review of the analysis performed by Mr. Kupper on behalf of the applicant?

A (BY MR. KOVAR): Yes.

TR. V at p. 1165.

<sup>&</sup>lt;sup>11</sup> PFD at 19.

- Utilized an unauthorized and technically deficient tool no longer approved by EPA (EKMA) to form one of the bases for the conclusion that WSEC's emissions did not cause or contribute to a violation of the applicable NAAQS;<sup>12</sup>
- Relied upon the testimony of a self-admitted unqualified expert (Mr. Kupper) to "support" its conclusions on ozone impacts, which, in turn, was unquestioningly relied upon by TCEQ without any independent analysis of its own;<sup>13</sup>
- Relied solely upon the testimony of Mr. Kupper to make the demonstration required by 40 CFR § 52.21(k) and TCEQ rules and Mr. Kupper admitted that he had "no opinion" on whether emissions from the proposed source would cause or contribute to a violation of the ozone NAAQS;<sup>14</sup>
- Failed to utilize photochemical modeling as the modeling tool approved by EPA and suggested in correspondence with TCEQ on the subject; 15
- Failed to consult with EPA regarding its proposed method of assessing ozone impacts, in violation of EPA's and TCEQ's rules; 16 and
- Relied on data labeled as not fit for regulatory purposes.<sup>17</sup>

Ultimately, the findings from the evidence are that the Applicant failed to conduct a proper ozone modeling analysis pursuant to federal and state law. The ozone analysis performed by the Applicant and staff was, frankly, a bad joke with no foundation in law or science. This "analysis" would result in the same determination of "ozone-neutral" if the source was a 1,320 megawatt power plant or a 10,000 megawatt power plant. Therefore, the ALJs' findings regarding the impropriety of Applicant's usage of data designated not approved for regulatory purposes should be upheld and, along with the other deficiencies listed above, should form the basis for a denial of the Application.

<sup>&</sup>lt;sup>12</sup> EDF Closing Brief at 6-7; 9-10, 10-12; EDF Reply Brief at 8.

<sup>&</sup>lt;sup>13</sup> EDF Closing Brief at 10-12; EDF Reply Brief at 9-12.

<sup>&</sup>lt;sup>14</sup> EDF Closing Brief at 10; EDF Reply Brief at 9-11.

<sup>15</sup> EDF Closing Brief at 10; EDF Reply Brief at 13-15.

<sup>&</sup>lt;sup>16</sup> EDF Closing Brief at 7-9; EDF Reply Brief at 6-8.

<sup>17</sup> EDF Closing Brief at 11.

<sup>&</sup>lt;sup>18</sup> The "analysis" is ultimately simply a ratio of  $NO_x$  and VOC emissions from the proposed source. As long as the ratio remains less than 2 to 1 then the magnitude of the  $NO_x$  and VOC emissions appears irrelevant. See TR. V pp. 1165-1166.

## III. WHITE STALLION'S STATE EFFECTS REVIEW IS INCOMPLETE AND INCONSISTENT WITH AGENCY POLICY

The ALJs are correct that the TCAA and the Commission rules set a high standard in requiring an applicant to prove that its application will give "no indication" that it will harm the public's health, general welfare, and physical property. The ED's Air Permitting Effects Evaluation Procedure (State Effects Review) requires that a health effects review adhere to this same standard. Despite Applicant's incorrect assertions that the effects analysis has no basis in statute or rule, the Effects Evaluation Procedure is authorized under Section 382.0518(b)(2) of the Texas Health & Safety Code. The ALJs are also correct that the Applicant's definition of acceptable concentrations of coal dust cannot take precedence over those stated in the Commission's policies and procedures. White Stallion failed to meet its burden of proving the Application's compliance with the state's health effects requirements and the TCAA. Applicant's assertion that the evidence only affirms the protectiveness of the permit is incorrect. Additionally, the Applicant's admission that state health effects reviews were conducted for coal dust in the processing of prior coal plant applications, but arguing that it is not required for its Application, is the very definition of arbitrary and capricious.

Section 382.0518(b)(2) of the TCAA requires that the Commission find "no indication that the emissions from the facility will contravene the intent of this chapter [TCAA], including the protection of the public's health and physical property." The proposed WSEC will be a massive source of coal dust emissions. The Commission has established effects screening levels

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<sup>19</sup> Tex. Health and Safety Code § 382.0518(b)(2); 30 TAC § 116.111(a)(2)(A)(i).

<sup>&</sup>lt;sup>20</sup> ED Ex. 45 ("The purpose of this document is to describe how the effects evaluation portion of the technical review of an air permit application is conducted. This process is authorized under Section 382.0518(b)(2) of the Texas Health and Safety Code, which states that the Texas Commission on Environmental Quality (TCEQ) may not grant a permit to a facility unless it is demonstrated that emissions will not have an adverse impact on public health and welfare.")

("ESLs") for coal dust as a pollutant and has applied that ESL in evaluating numerous other applications for coal-fired power plants as pointed out by the Applicant itself. Therefore, the evidence must give no indication that emissions of coal dust from WSEC will contravene the intent of the TCAA, including the protection of the public's health and physical property. The evidence establishes that the Applicant has failed to meet this burden. Indeed, the evidence establishes these facts:

- WSEC's coal dust modeling was based on the PM<sub>4</sub> fraction of coal dust.<sup>21</sup>
- Commission's policy is to require coal dust modeling based on the PM<sub>10</sub> fraction.<sup>22</sup>
- Mr. Kupper's modeling of the PM<sub>4</sub> fraction of coal dust showed that the long-term ESL for coal dust would be exceeded in an area extending 200 meters from the facility across the Colorado River and onto public/private property on the opposite side of the river.<sup>23</sup>
- Mr. Kupper's modeling of the PM<sub>4</sub> fraction of coal dust showed that the short-term ESL for coal dust would be exceeded in an area extending more than 1,000 meters from the facility – across the Colorado River and onto public/private property on the opposite side of the river.<sup>24</sup>
- Mr. Kupper's modeling of the PM<sub>4</sub> fraction of coal dust predicted that the short-term ESL for coal dust would be exceeded for 86 hours a year at some locations, over 100 hours at other locations, and over a 1,000 hours at one location.<sup>25</sup>
- None of the other constituents evaluated in the State Effects Review were predicted to exceed their respective long-term ESL.<sup>26</sup>
- The modeling performed in the NRG and IPA Coleto Creek applications did not predict multiple exceedances of the long-term coal dust ESL or any exceedance of the long-term coal dust ESL at all. Additionally, the NRG and IPA Coleto Creek modeling predicted exceedances of the short-term coal dust ESL that are of less magnitude and frequency then what Mr. Kupper's modeling predicted for WSEC.

<sup>&</sup>lt;sup>21</sup> WSEC Ex. 200, p. 26.

<sup>&</sup>lt;sup>22</sup> TR. V pp. 1222-1223.

<sup>&</sup>lt;sup>23</sup> TR. V p. 1213.

<sup>&</sup>lt;sup>24</sup> TR. V p. 1215.

<sup>&</sup>lt;sup>25</sup> TR. V pp. 1217-1218.

<sup>&</sup>lt;sup>26</sup> See ED Exs. 19, 20, 25 and 26.

<sup>&</sup>lt;sup>27</sup> EDF Exs. 102 and 103.

Applicant did not present any rebuttal modeling of the PM<sub>10</sub> fraction of coal dust.

Notwithstanding the fact that the ED's toxicologist testified that if the coal dust modeling was based on the PM4 fraction then he would need to conduct his own review to determine whether or not the state effects analysis was appropriate<sup>28</sup>, the ED in his exceptions argues that Dr. Lee's professional opinion concurring with Applicant's toxicologist is sufficient to establish that WSEC will not pose a threat to public health or physical property. Unfortunately, as the ALJs have corrected surmised, that is not the appropriate standard. The evidence must give "no indication" that emissions from WSEC will contravene the intent of the TCAA, including protection of the public's health and physical property. Again the Applicant failed to meet its burden. The Applicant chose not to provide its coal dust modeling to the Commission, a failure which is not justified by simply hypothesizing as to why it was not requested.<sup>29</sup> The evidence establishes that it should have been provided.<sup>30</sup> The Applicant must live with the record it created, a record which indicates that emissions from WSEC will contravene the intent of the TCAA, including the protection of the public's health and physical property in violation of Texas Health & Safety Code § 382.0518(b)(2).

need to do your own review to determine whether or not the state effects analysis for coal

dust was appropriate. Correct?

A (BY DR. LEE):

Yes.

Q (BY MR. TOUGH): So you don't have your own opinion on the state effects review for coal dust. Correct? No, I don't.

<sup>&</sup>lt;sup>28</sup> Q (BY MR. TOUGH): Okay. And so if I submit to you that the modeling is actually of PM<sub>4</sub>, then you would

A (BY DR. LEE):

TR. V pp. 1229-1231.

Applicant's Exceptions p. 10.

<sup>&</sup>lt;sup>30</sup> TR. V p. 1221.

#### IV. THE COMMISSION SHOULD REMAND ON BACT LIMITS

The ALJs are correct in that Applicant failed to demonstrate that the limits in the proposed draft permit are BACT. The exceptions filed by Applicant and ED do not address the specific concerns raised by the ALJs and Protestants.

## A. Filterable PM

The ALJs are correct that there is no evidence in the record that supports a higher filterable PM limit for a CFB that burns petroleum coke. Applicant's exceptions do not offer any explanation or dispute that testing of other CFBs burning petroleum coke indicates that even lower limits are achievable.<sup>31</sup>

## B. Total PM

The ALJs are correct to recommend as BACT a total PM limit of 0.016 lb/MMBtu for both fuels based on the Applicant's vendor guarantee, evidence of lower permitted limits and testimony that lower total PM levels are expected.<sup>32</sup> Applicant's exceptions do not address these facts or explain why its vendor guarantee is unpersuasive. Additionally, Prairie State is distinguishable because the adjustable limit in that decision included a default limit nearly as low as what Alstom Power would guarantee to White Stallion and the adjustment applied to the first three years of operation.<sup>33</sup> If the Commission disagrees then the Application should be denied or remanded.

<sup>&</sup>lt;sup>31</sup> See ED Ex. 1 p. 18.

<sup>&</sup>lt;sup>32</sup> PFD at p. 75.

<sup>&</sup>lt;sup>33</sup> According to the EAB, "IEPA's approach effectively establishes the lower limit of 0.018 lb/MMBtu in the present Permit, unless Prairie State demonstrates through actual representative operating test data within the first three years of operation that its Facility cannot reliably achieve that limit without 'unacceptable' and 'unreasonable' consequences." EAB No. 05-05, 2006 WL 2847225 (EAB August 24, 2006).

## C. $PM_{2.5}$

The ALJs are correct to also recommend that the PM<sub>2.5</sub> limit be reduced to 0.016 lb/MMBtu because PM<sub>2.5</sub> is a subset of total PM. As explained above, the lower BACT limit for total PM is justified because of the Applicant's vendor guarantee, evidence of lower permitted limits and testimony that lower total PM levels are expected. Therefore, BACT for PM<sub>2.5</sub> is at least equal 0.016 lb/MMBtu. If the Commission disagrees then the Application should be denied or remanded.

### D. CO

Applicant's exceptions fail to explain why its long-term CO limit of 0.11 is higher than the short-term 0.10 limits of three other CFBs. Applicant does not explain how its higher annual limit (0.11 lb/MMBtu) when operating at full capacity is as stringent as the short-term limit of 0.10 lb/MMBtu when the three other CFBs are also operating at full capacity. Additionally, neither the ED nor Applicant explains why WSEC has only a long-term limit and no short-term limit. Therefore, the ALJs were correct in determining that Applicant's proposed limits for CO were not BACT and that BACT was at least 0.10 lb/MMBtu. If the Commission disagrees then the Application should be denied or remanded.

## E. H<sub>2</sub>SO<sub>4</sub>

The ALJs' were correct in determining that the evidence in the record did not provide sufficient justification for the substantial differences between existing emission limits for other facilities and limits contained in the draft permit. The existing emission limits are more than an order of magnitude less than White Stallion's proposed limits.<sup>34</sup> The Applicant's exceptions fail to explain how its H<sub>2</sub>SO<sub>4</sub> limit is justified except to cite to its expert's testimony regarding possible differences in starting assumptions about the sulfur content of the fuel used by the other

<sup>&</sup>lt;sup>34</sup> See PFD p. 85.

facilities. Again there is no specific evidence in the record to indicate that the sulfur and vanadium content of Applicant's petroleum coke is so much higher than the content in the petroleum coke used at the Manitowoc facility or any of the other facilities. Therefore, the ALJs were correct in determining that Applicant's proposed limits for H<sub>2</sub>SO<sub>4</sub> were not BACT and that BACT was at least 0.0045 lb/MMBtu. If the Commission disagrees then the Application should be denied or remanded.

## V. RESPONSE TO APPLICANT'S REVISIONS TO PROPOSED ORDER<sup>35</sup>

The Applicant in a very methodical fashion edits the proposed order in order to remove any citations to EPA regulations or policies. However, as explained in EDF's *Closing Brief*, *Reply Brief*, and *Exceptions*, the issuance of PSD permits and other actions by Texas in the administration of the PSD program must conform to the requirements of the FCAA, applicable EPA regulations, and the SIP.<sup>36</sup> It should also be noted that the ED did not offer similar revisions.

Additionally, Applicant makes a number of changes to the Findings of Fact ("FoFs") related to coal dust. EDF requests that the Commission reject these changes and adopt the findings recommended by the ALJs as amended by EDF's *Exceptions*. The evidence establishes that Applicant has not met its burden of proof and the ALJs' proposed FoFs support that determination.

Finally, Applicant's Exceptions does not contain a single sentence on the issue of the multiple proposed site plans submitted by the Applicant in its various regulatory filings for the WSEC.<sup>37</sup> Instead of addressing it in that document, the Applicant elected to limit its comments

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<sup>&</sup>lt;sup>35</sup> In the interest of brevity, EDF focuses only on certain changes proposed by Applicant to the order, which in no way should be construed as a limit on or a waiver of issues that may be raised in a future motion for rehearing. <sup>36</sup> 57 Fed. Reg. 28093, 28095 (June 24, 1992).

<sup>&</sup>lt;sup>37</sup> The ED also fails to address this issue in its Exceptions.

on the issue to completely striking FoFs 38 and 39 from the ALJ's proposed order. The Applicant argues that the findings are "unnecessary" and do not "pertain to any applicable statutory or regulatory requirement for permit issuance."

As outlined in its *Exceptions*, and based on the arguments it asserts in its *Closing Brief*, EDF contends the ALJ's decision on the issue is erroneous. However, the findings are "necessary" to discuss in the proposed order because they remain an issue that affects the final disposition of the docket. The evidence did demonstrate that conflicting site plans exist between Applicant's applications for various regulatory permits, and the uncertainty created by those differing plans goes to the heart of whether the application that was submitted for consideration at the hearing was deficient. Therefore, the changes to those findings of fact should not be stricken from the proposed order.

## VI. CONCLUSION

As confirmed by the PFD, White Stallion's Application cannot be granted at this time. The Applicant's exceptions do not change that fact. In accordance with the PFD, and for each of the additional reasons described above and in EDF's *Closing Brief*, *Reply Brief*, and *Exceptions* previously filed in this matter, EDF respectfully requests that the Application be denied. In the alternative, if the Commission determines remand is appropriate for any reason, then EDF requests that, pursuant to the Texas Health & Safety Code, the Applicant should be required to re-file and renotice its Application. In addition, EDF respectfully requests that the Commission grant such other and further relief for which EDF and the other Protestants show themselves justly entitled.

Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

This is to certify that on this the  $6^{th}$  day of August, 2010, the foregoing document has been served by hand-delivery, email, facsimile or U.S. Mail to the addressees listed below:

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